

1. That the mint price of gold bullion, or the legal standard of the coin was, £3 17*s.* 10*d.* per ounce.
2. That the market price of gold bullion was then £4 1*q.**s.* per ounce.
3. That the foreign exchanges had fallen to an enormous extent: that with Hamburg, nine per cent, that with Paris 14 per cent.
4. That the increase of bank-notes had been very great during the last few years, and was rapidly augmenting.
5. That specie had disappeared from circulation.

The report made by the committee was divided into four parts, the first dealing with the causes of the high price of gold; the second, with the state of the foreign exchanges and the reason why they were adverse to England; the third, with the conduct of the Bank of England in the regulation of its note issues; and the fourth, the increase in circulation of the Bank of England and of the country banks and the increase of their discounts.

The demonstration was easy to intelligent and unprejudiced observers that the high price of gold was the measure of the depreciation of the bank paper. The contention of some of those who declared that bank paper had not depreciated, but that gold had risen in value because of its scarcity, grew out of a muddy confusion of ideas regarding the relations of prices to the two standards of gold and paper. The committee showed that the question of prices had no relation to the difference between the mint price and the market price of gold. The paragraph in which they made this clear is as follows:

An ounce of standard gold bullion will not fetch, more in our market than £3 17*s.* 10*d.*, unless £3 17*s.* 10*d.*, in our actual currency is equivalent to less than, an ounce of gold. An increase or diminution in the demand for gold, or what comes to the same thing, is a diminution or increase in the general supply of gold, will, no doubt, have a material effect upon the money prices of all other articles. An increased demand for gold, and a consequent scarcity of that article, will make it more valuable in proportion to all other articles; the same quantity of gold will purchase a greater quantity of any